
OLR Bill Analysis

sHB 6237

AN ACT CONCERNING INSURANCE REQUIRED UNDER THE COMMON INTEREST OWNERSHIP ACT.

SUMMARY:

This bill requires a community association manager acting on behalf of a residential common interest community to obtain rate quotes from at least two different insurance agencies for certain insurance policies required under the Common Interest Ownership Act (CIOA). These quotes must be obtained every two years, prior to the policy renewal date. It also requires the community association manager to provide these quotes to the association's executive board.

Current law requires residential common interest communities governed by CIOA to maintain, to the extent reasonably available, certain types of insurance policies. These policies, which may be subject to reasonable deductibles, include property insurance; flood insurance; commercial general liability insurance, including medical payments insurance; and fidelity insurance.

EFFECTIVE DATE: October 1, 2011

BACKGROUND

Common Interest Community

A "common interest community" includes condominiums, cooperatives, and other property described in a declaration under which a person, by virtue of owning a unit, is obligated to pay for (1) real property taxes on, (2) insurance premiums on, (3) maintenance of, (4) improvement of, or (5) services or expenses related to, common elements or real property other than individually owned units described in the declaration (CGS § 47-202).

Common Interest Ownership Act (CIOA)

Generally, CIOA applies to common interest communities created in Connecticut on or after January 1, 1984. However, certain provisions of CIOA, to the extent necessary to construe these provisions, apply to common interest communities created in Connecticut before January 1, 1984, but only with respect to events and circumstances that occur after January 1, 1984.

Condominiums created before January 1, 1984 can amend their governing instruments (declaration, bylaws, survey, or plans) to conform to portions of CIOA that do not automatically apply.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 10 Nay 7 (02/22/2011)